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Title: Web-Based Infomediary for Intellectual Property Transfer

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REMARKS

This responds to office action dated September 15, 2010. Claims 5, 10, and 12 have been amended, new claims 15-30 have been added; as a result; claims 5 and 10-30 are pending in the present application.

The Applicants reserve all applicable rights not asserted in or with this response, including, for example, the right to rebut tacit and explicit characterizations of one or more cited references, the right to rebut asserted combinations and motives for combinations, and the right to swear behind one or more cited references. The Applicants make no admissions regarding the status of any art of record as prior art.

35 USC §103 Rejection of the Claims

Claims 5 and 10-14 were rejected under 35 USC §103 (a) as being unpatentable over Kossovsky et al (hereinafter "Kossovsky"), US Patent Application No. 2002/0004775, in view of Kossovsky (hereinafter "Kossovsky-provisional"), provisional application No. 60/124,847. The Applicant respectfully traverses the rejections. The Applicant submits that the invention as claimed is patentable over the cited references alone or in combination thereof.

The Applicant respectfully submits that independent claim 5, as amended, recites a method for facilitating transfer of an interest in an intellectual property asset via global computer network. The method includes formulation a proposed transfer of an interest in an intellectual property asset based on input submitted by a network user, presenting

one or more terms of said for the proposed transfer, permitting the network user to select one or more terms of said interest for the proposed transfer, permitting the network user to select one or more of the terms of said interest, limiting bidders via an access profile, defining the proposed transfer based at least part on the terms selected by the user, grouping, by the computer system, the at least one intellectual property asset based on relationship between the at least one intellectual property asset, and posting the proposed transfer on a network resource residing on the global computer network. *See*, Application, Pages 6-7, 26-27, and FIG. 17-19.

Additionally, independent claim 10, as amended, recites a method for facilitating transfer of interests in intellectual property assets via a global computer network. The method includes auctioning an interest in an intellectual property asset via a network resource residing on the global computer network, wherein auctioning an interest includes listing, as part of an auction process, an asset identifier corresponding to the asset and terms of transfer of the interest in the intellectual property asset. The method further includes limiting access to the asset identifier and the terms of transfer as a function of an access profile associated with each network user, pooling, by the computer system, a plurality of bids by a plurality of the bidders for the transfer of said intellectual property asset. *See*, Application, Pages 6-7, 27-28, and FIG. 17-19. Thereafter, the method includes permitting the network user to select one or more terms of said interest, gathering bids from network users, and automatically adjusting the terms of transfer in the event no sufficient bids are gathered within a predetermined period of time.

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The Applicant further submits that, independent claim 12, as amended, recites a method for auctioning an interest in an intellectual property asset via a global computer network. The method includes offering the interest in the intellectual property asset via a network resource residing on the global computer network, wherein the interest in the intellectual property asset is defined by a proposed transfer agreement and a profile of users granted access to the proposed transfer agreement. The method includes <u>pooling, by the computer system, a plurality of bids by a plurality of the bidders for the transfer of said intellectual property asset</u>. *See*, Application, Pages 6-7, 26-27, and FIG. 17-19. The method further includes permitting the network user to select one or more terms of said interest, collecting bids from network users meeting the profile of users granted access to the proposed transfer agreement, and accepting one of said bids.

With regard to claim 5, 10 and 12, the Examiner stated that the Kossovsky discloses a method for facilitating transfer of an interest on an intellectual property asset via global computer network.

The Examiner acknowledged that Kossovsky fails to disclose *presenting one or more terms of said interest for the proposed transfer, permitting the network user to select one or more of the terms of said interest*, and *automatically adjusting the terms of transfer in the event no sufficient bids are gathered within a predetermined period of time*. However, the Examiner relied on Kossovsky-provisional to obviate the deficiencies in the teachings of Kossovsky.

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The Examiner further stated that it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Kossovsky to incorporate the features above, for the purpose of providing more convenience to the user when submitting offer for intellectual property asset over the network.

The burden of establishing a prima facie case of obviousness falls on the Examiner. Ex parte Wolters and Kuypers, 214 U.S.P.Q. 735 (PTO Bd. App. 1979). In addressing obviousness determinations under 35 U.S.C. § 103, the Supreme Court in KSR International Co. v. Teleflex Inc., No. 04-1350 (April 30, 2007), reaffirmed many of its precedents relating to obviousness including its holding in Graham v. John Deere Co., 383 U.S. 1 (1966). Specifically, the Court also reaffirmed that "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." Id. at 14. In this regard, the KSR court stated that "it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does ... because inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known." Id. at 14-15. The court further noted that the demonstration of a teaching, suggestion, or motivation to combine provides a "helpful insight" in determining whether claimed subject matter is obvious. KSR, slip op. at 14.

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Furthermore, the KSR court did not diminish the requirement for objective evidence of obviousness. Id. at 14 ("To facilitate review, this analysis should be made explicit. See In re Kahn, 441 F.3d 977, 988 (CA Fed. 2006) ('[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness'). As our precedents make clear, however, the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ."); see also, In re Lee, 61 U.S.P.Q.2d 1430, 1436 (Fed. Cir. 2002) (holding that the factual inquiry whether to combine references must be thorough and searching, and that it must be based on objective evidence of record). Accordingly, to establish a prima facie case, the Examiner must not only show that the combination includes all of the claimed elements, but also a convincing line of reason as to why one of ordinary skill in the art would have found the claimed invention to have been obvious in light of the teachings of the references. Ex parte Clapp, 227 U.S.P.Q. 972 (B.P.A.I. 1985).

Kossovsky and Kossovsky-provisional taken alone or in hypothetical combination, fails to teach, disclose or suggest features recited by independent claims 5, 10, and 12

Contrary to the cited caselaw, the Examiner failed to apply a reference or combinations of references that include all of the recited features of claims 5, 10, and 12.

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Regarding claim 10, the Examiner has rejected the element "automatically adjusting the terms of transfer…" on the basis that Kossovsky-provisional (K-P) discloses "when the pIX auction master …can start with a high bid…and lower the bid gradually" and discloses a Dutch auction where the master adjusts the bid price. However, Kossovsky fails to teach or suggest "*automatically adjusting the terms of transfer in the event no sufficient bids are gathered within a predetermined period of time*." The Examiner acknowledged this but relied on Kossovsky-provisional to obviate deficiencies in the teachings of Kossovsky.

This is an incorrect comparison of unrelated features between K-P and the present claims; the terms of the transfer are different than a bid price in both the present claims and as defined in the specification and thus the two features cannot be used comparably to form the obviousness rejection. On page 21, line 11 of the Application it explains regarding transfer terms: "As illustrated in FIG. 10, the transfer terms may specify the scope of the license in terms of nonexclusive or exclusive, any fields to which the assignment or grant will be limited or excluded from, applicable royalty rates and bases, the duration (term) of the agreements, any up-front payments, any support or technology transfer obligations, and any other terms…" Terms are independent of the bid, or price, to which a buyer is offering to buy the asset for. Page 20, line 9 and Figure 6 shows an example of a bid, which is a dollar offer, or could be something like a cross-licensing offer such as page 20, line 29. In either case, bids are offers to buy or license, not the terms of transfer of the sale. The differences are found in K-P as well. The Examiner's reference to "bids" on page 102 are different and independent from the terms described on p. 104, "Terms and Conditions." Terms in K-P

can be included with a bid, but an "auction chart will display the offered terms and

conditions along side the bids shown" and thus are different than the bid. K-P's terms

are static, while the present application claims terms that can automatically adjust in the

even to sufficient bids are gathered. This is neither taught nor suggested by K-P.

Additionally, Applicant submits that Kossovsky-provisional fails to teach,

disclose, or suggest *presenting one or more terms of said interest for the proposed*

transfer and *permitting the network user to select one or more of the terms of said*

interest. In support of the rejection, the Examiner referred to "Term and Conditions"

section of Appendix, pages 104-105 of Kossovsky-provisional, which state:

> The PIX bidding process will <u>allow the buyers to request specific payment or</u>
> <u>shipping terms</u>, these terms and conditions will be treated as part of the bid. The
> auction chart will display the offered terms and conditions along side the bids
> shown. Further, when creating the product description, <u>the seller will specify the</u>
> <u>range of terms and conditions acceptable</u> to him and indicate how they are
> factored in bid evaluation.

Thus, Kossovsky-provisional merely states that buyers and sellers can request

and specify terms for a bid in an auction. There is no further disclosure on how the

terms are specified or requested. On the contrary, the invention as claimed discloses

that a seller is provided with a web page which lists a variety of options of "transfer

terms". The seller may select "transfer terms" from these options using input media, for

example, radio buttons, check boxes, pull-down menu etc. Thus, the seller can select

transfer terms very conveniently. *See*, Application, page 21, lines 22-30 and page 22,

lines 1-3. (the ip seller may set the terms of transfer ... initiating a dialog as shown in

FIG. 11 for selection of individual terms. The dialog takes the form of a menu that can

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be equipped with... radio buttons, check boxes, sliders, pull- down menus...the ip seller

can enter transfer terms by checking boxes and selecting from a variety of stock terms).

Clearly, Kossovsky-provisional does not teach, disclose, or suggest this.

Further the Applicant respectfully submits that Kossovsky-provisional fails to

teach, disclose, or suggest *automatically adjusting the terms of transfer in the event no*

sufficient bids are gathered within a predetermined period of time. In support of the

rejection, the Examiner referred to "Control of Bids/Offers" section of Appendix, page

101-102, which states:

> In an auction, ... When the PIX auction master puts up the bids, he can either
> start with a high bid, perhaps at which no bidder is willing to trade, and lower the
> bid gradually until he has sufficient bidders to clear his inventory...his
> merchandise matches his inventory

The Examiner also referred to "Rules for Closing the Auction" section of the

Appendix, page 103, which states:

> Open cry auctions...Dutch options could close as a pre-specified time, when all
> the inventory has been sold, when the price has fallen to a pre specified level...
> and its patent exchange.

In the above citations, Kossovsky-provisional discloses that the initiator of an

auction may quote an initial bid and may keep on decreasing it until there are sufficient

numbers of bidders. Kossovsky-provisional merely states that the initiator may manually

keep on decreasing the bids based on the number of interested bidders. Thus, the

initiator has to keep a constant watch on the increase/decrease in the number of

bidders, based on which the initiator will manually lower/increase the bid. On the

contrary, the invention as claimed discloses an automatic mechanism for modifying the

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terms of transfer. A web server automatically performs periodic checks on the number of bids received for a transfer item during an auction period. *See,* Application, Page 29, line 1-10. (As web server 22 accumulates bids… it is periodically determined whether an applicable bid period has elapsed… Once the bid period elapses, however, web server 22 determines whether a sufficient bid has been submitted). As a result, a seller is not required to keep a constant watch on the number of bidders. Additionally, in the present invention as claimed, if sufficient/acceptable bids are not received during the auction period, the web server automatically reduces the bid price and restarts the auction period. This process is iteratively carried out by the web server until the bid price cannot be reduced further or a bid has been accepted by the web server. *See,* Application, Page 28, line 24-30 and Page 29, line 1-10. (In the event a particular transfer item does not entertain sufficient offers or bids during an initial offer or auction period…a mechanism that automatically reduces the opening offer price of minimum bid price of the transfer item… If the bid period has elapsed and no sufficient bids have been submitted, the counter N is incremented…Value M is indicative of the maximum number of price reductions and resultant additional auction periods…The reduction may be automatic and predetermined by the ip seller… Upon reduction of the minimum offer or bid, the bid period is reset…a new period is opened, and the process is repeated.) Thus, intervention from the seller's end is not required to periodically modify the bid price. Clearly Kossovsky-provisional does not teach, disclose, or suggest this.

Additionally, Kossovsky-provisional discloses that an auction may close at a pre-specified time or when the bid price has fallen to a pre specified level. Thus, Kossovsky-

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provisional merely states that a time or bid price can be specified at <u>which the auction will close</u>. Thus Kossovsky-provisional is limited to <u>closing</u> the auction at a given time or price. On the contrary, as described above, the invention as claimed discloses an <u>automatic mechanism</u> for modifying the terms of transfer. Clearly, Kossovsky-provisional does not teach, disclose, or suggest this.

Further, the Applicant respectfully submits that Kossovsky and Kossovsky-provisional taken alone or in combination thereof, fail to teach, disclose, or suggest <u>pooling, by the computer system, a plurality of bids by a plurality of the bidders for the transfer of said intellectual property asset</u>. K-P and Kossovsky neither teach nor suggest pooling bids from the bidders. This is a far different feature from pooling assets themselves by the sellers of the IP rights.

The Applicant therefore respectfully submits that Kossovsky and Kossovsky-provisional taken alone, or in hypothetical combination thereof, fail to teach, disclose, or suggest the invention as claimed in claims 5, 10 and 12. Further, the Applicant submits that even if the references are combined they do not disclose the invention as claimed in the claim 5, 10 and 12, therefore, there is no motivation to combine these references.

In view of the forgoing considerations deficiencies in the cited art, the Examiner has failed to establish a *prima facie* case of obviousness of claims 5, 10, and 12. These claims, and the claims depending therefrom are therefore believed to be clearly

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patentable over the cited combination. Their consideration and allowance are respectfully requested.

New Claims

Claims 15-27 depend directly or indirectly from independent claims 5, 10, and 12 and are allowable by virtue of their dependency from an allowable base claim. Applicants also submit that the claims 15-27 are further allowable by virtue of the subject matter they separately recite. The claims 15-27 are supported in the Application by Pages 6-7, 26-27, and FIG. 17-19. Additionally, the invention as claimed in claims 28-30 is patentable over Kossovsky and Kossovsky-provisional taken alone or in combination thereof. The claims 28-30 are supported in the Application by Pages 6-7, 26-27, and FIG. 18.

Conclusion

Applicant respectfully submits that the claims 5 and 10-14 are in condition for allowance and notification to that effect is earnestly requested. Applicant's attorney, Ken Sheets, desires to speak to the Examiner in a telephonic interview to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 50-2646.

Respectfully submitted,

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By their Representatives,

Customer No. 70859

Date March 15, 2011   By   /Kendal M. Sheets/
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